

# Senate File 2042 - Introduced

SENATE FILE 2042

BY HATCH

## A BILL FOR

1 An Act providing for the establishment of the Iowa health  
2 benefit marketplace and including effective date provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1     Section 1. NEW SECTION.   **514M.1 Title.**

2     This Act shall be known and may be cited as the "*Iowa Health*  
3 *Benefit Marketplace Act*".

4     Sec. 2. NEW SECTION.   **514M.2 Purpose and intent.**

5     The purpose of this Act is to provide for the establishment  
6 of a health benefit marketplace in this state to facilitate  
7 the sale and purchase of qualified health benefit plans by  
8 qualified individuals in the individual market in this state  
9 and by qualified small employers in the small group market  
10 in this state. The intent of authorizing the establishment  
11 of a health benefit marketplace in this state is to reduce  
12 the number of uninsured individuals in this state, provide a  
13 transparent marketplace and consumer education, and assist  
14 individuals with access to programs, premium assistance tax  
15 credits, and cost-sharing reductions.

16    Sec. 3. NEW SECTION.   **514M.3 Definitions.**

17    As used in this chapter, unless the context otherwise  
18 requires:

19    1. "*Board*" means the board of directors of the Iowa health  
20 benefit marketplace as provided in section 514M.5.

21    2. "*Commissioner*" means the commissioner of insurance.

22    3. "*Executive director*" means the executive director of the  
23 Iowa health benefit marketplace.

24    4. "*Federal Act*" means the federal Patient Protection and  
25 Affordable Care Act, Pub. L. No. 111-148, as amended by the  
26 federal Health Care and Education Reconciliation Act of 2010,  
27 Pub. L. No. 111-152, and any amendments thereto, or regulations  
28 or guidance issued under, those Acts.

29    5. *a.* "*Health benefit plan*" means a policy, contract,  
30 certificate, or agreement offered or issued by a health carrier  
31 to provide, deliver, arrange for, pay for, or reimburse any of  
32 the costs of health care services.

33    *b.* "*Health benefit plan*" does not include any of the  
34 following:

35    (1) Coverage only for accident, or disability income

1 insurance, or any combination thereof.

2 (2) Coverage issued as a supplement to liability insurance.

3 (3) Liability insurance, including general liability  
4 insurance and automobile liability insurance.

5 (4) Workers' compensation or similar insurance.

6 (5) Automobile medical payment insurance.

7 (6) Credit-only insurance.

8 (7) Coverage for on-site medical clinics.

9 (8) Other similar insurance coverage, specified in federal  
10 regulations issued pursuant to Tit. XXVII of the federal Public  
11 Health Service Act, as enacted by the federal Health Insurance  
12 Portability and Accountability Act of 1996, Pub. L. No.  
13 104-191, and amended by the federal Act, under which benefits  
14 for health care services are secondary or incidental to other  
15 insurance benefits.

16 c. "*Health benefit plan*" does not include any of the  
17 following benefits if they are provided under a separate  
18 policy, certificate, or contract of insurance or are otherwise  
19 not an integral part of the plan:

20 (1) Limited scope dental or vision benefits.

21 (2) Benefits for long-term care, nursing home care, home  
22 health care, community-based care, or any combination thereof.

23 (3) Other similar, limited benefits specified in federal  
24 regulations issued pursuant to the federal Health Insurance  
25 Portability and Accountability Act of 1996, Pub. L. No.  
26 104-191.

27 d. "*Health benefit plan*" does not include any of the  
28 following benefits if the benefits are provided under a  
29 separate policy, certificate, or contract of insurance, there  
30 is no coordination between the provision of the benefits and  
31 any exclusion of benefits under any group health benefit plan  
32 maintained by the same plan sponsor, and the benefits are paid  
33 with respect to an event without regard to whether benefits are  
34 provided with respect to such an event under any group health  
35 benefit plan maintained by the same plan sponsor:

1 (1) Coverage only for a specified disease or illness.

2 (2) Hospital indemnity or other fixed indemnity insurance.

3 *e. "Health benefit plan"* does not include any of the  
4 following if offered as a separate policy, certificate, or  
5 contract of insurance:

6 (1) Medicare supplemental health insurance as defined under  
7 section 1882(g)(1) of the federal Social Security Act.

8 (2) Coverage supplemental to the coverage provided under 10  
9 U.S.C. ch. 55, by the civilian health and medical program of  
10 the uniformed services.

11 (3) Supplemental coverage similar to that provided under a  
12 group health benefit plan.

13 6. *"Health carrier"* means an entity subject to the insurance  
14 laws and rules of this state, or subject to the jurisdiction  
15 of the commissioner, that contracts or offers to contract to  
16 provide, deliver, arrange for, pay for, or reimburse any of  
17 the costs of health care services, including an insurance  
18 company offering sickness and accident plans, a health  
19 maintenance organization, a nonprofit hospital or health  
20 service corporation, or any other entity providing a plan of  
21 health insurance, health benefits, or health services.

22 7. *"Insurance producer"* means a person required to be  
23 licensed under chapter 522B.

24 8. *"Marketplace"* means the Iowa health benefit marketplace  
25 established pursuant to section 514M.4.

26 9. *"Navigator"* means a person selected and regulated by the  
27 marketplace in accordance with section 1311(i) of the federal  
28 Act, standards developed by the secretary, and section 514M.9.

29 10. *"Qualified dental plan"* means a limited scope dental  
30 plan that has been certified in accordance with section  
31 514M.10.

32 11. *"Qualified employer"* means a small employer that  
33 elects to make its full-time employees eligible for one or  
34 more qualified health benefit plans offered through the small  
35 business health options program of the marketplace, and at the

1 option of the employer, some or all of its part-time employees,  
2 provided that the employer does either of the following:

3     *a.* Has its principal place of business in this state and  
4 elects to provide coverage through the marketplace to all of  
5 its eligible employees wherever employed.

6     *b.* Elects to provide coverage through the marketplace to all  
7 of its eligible employees who are principally employed in this  
8 state.

9     12. "*Qualified health benefit plan*" means a health benefit  
10 plan that has in effect a certification as described in section  
11 1311(c) of the federal Act and section 514M.10.

12     13. "*Qualified individual*" means an individual, including a  
13 minor, who is all of the following:

14     *a.* Is seeking to enroll in a qualified health benefit plan  
15 offered to individuals through the marketplace.

16     *b.* Is a resident of this state.

17     *c.* At the time of enrollment, is not incarcerated, other  
18 than incarceration pending the disposition of charges.

19     *d.* Is, and is reasonably expected to be, for the entire  
20 period for which enrollment is sought, a citizen or national of  
21 the United States or an alien lawfully present in the United  
22 States.

23     14. "*Secretary*" means the secretary of the United States  
24 department of health and human services.

25     15. "*Secretary of the board*" means the secretary of the  
26 board of directors of the Iowa health benefit marketplace.

27     16. "*Small business health options program*" means the small  
28 business health options program component of the marketplace  
29 established under section 514M.8.

30     17. *a.* "*Small employer*" means an employer that employed an  
31 average of one to fifty employees during the preceding calendar  
32 year.

33     *b.* For the purposes of this subsection:

34     (1) All persons treated as a single employer under  
35 subsection (b), (c), (m), or (o) of section 414 of the Internal

1 Revenue Code of 1986 shall be treated as a single employer.

2 (2) An employer and any predecessor employer shall be  
3 treated as a single employer.

4 (3) All employees shall be counted, including part-time  
5 employees and employees who are not eligible for coverage  
6 through the employer.

7 (4) If an employer was not in existence throughout the  
8 preceding calendar year, the determination of whether that  
9 employer is a small employer shall be based on the average  
10 number of employees that the employer is reasonably expected to  
11 employ on business days in the current calendar year.

12 (5) An employer that makes enrollment in qualified health  
13 benefit plans available to its employees through the small  
14 business health options program component of the marketplace,  
15 and would cease to be a small employer by reason of an increase  
16 in the number of its employees, shall continue to be treated  
17 as a small employer for purposes of this chapter as long as  
18 the employer continuously makes enrollment through the small  
19 business health options program component of the marketplace  
20 available to its employees.

21 Sec. 4. NEW SECTION. 514M.4 Establishment of Iowa health  
22 benefit marketplace.

23 1. The Iowa health benefit marketplace is established as a  
24 nonprofit corporation. The marketplace shall be established  
25 for the purpose of facilitating the sale and purchase of  
26 qualified health benefit plans by qualified individuals in  
27 the individual market in this state and by qualified small  
28 employers in the small group market in this state.

29 2. The powers and duties of the marketplace are vested in  
30 and shall be exercised by a board of directors established  
31 under section 514M.5.

32 3. The marketplace shall operate under a plan of operation  
33 established and approved by the board of directors, in  
34 consultation with the commissioner. The plan shall effectuate  
35 the purposes of this chapter and assure the fair, reasonable,

1 and equitable administration of the marketplace. The board  
2 shall do all of the following pursuant to the plan, including  
3 but not limited to:

4     *a.* Plan, direct, coordinate, and execute the administrative  
5 functions of the marketplace.

6     *b.* Employ professional and clerical staff as necessary.

7     *c.* Keep an accurate account of all activities, receipts,  
8 and expenditures of the marketplace and annually submit a  
9 report to the commissioner, governor, general assembly, and  
10 the auditor of state concerning such accountings pursuant to  
11 section 514M.14.

12     4. The marketplace shall be operated on a statewide basis.

13     5. The marketplace shall include separate marketplace  
14 components which facilitate the sale and purchase of qualified  
15 health benefit plans to eligible individuals and to small  
16 employers as described in this chapter and in the federal Act.

17     6. The marketplace may establish a reimbursement system  
18 for health benefit plans issued in this state that all health  
19 carriers and health providers may join to facilitate fair  
20 and reasonable payments for the cost of health care services  
21 provided pursuant to a health benefit plan.

22     7. The marketplace shall do all of the following:

23     *a.* Facilitate the purchase and sale of qualified health  
24 benefit plans to qualified individuals and qualified employers  
25 as described in this chapter and in the federal Act.

26     *b.* Establish rate schedules for commissions paid to  
27 insurance producers by qualified health benefit plans offered  
28 through the marketplace.

29     *c.* Meet the requirements of this chapter and any rules  
30 adopted pursuant to this chapter.

31     8. *a.* A person who selects, purchases, or enrolls in a  
32 qualified health benefit plan offered through the marketplace  
33 shall be enrolled in the plan by an insurance producer or may  
34 enroll in the plan directly through the marketplace internet  
35 site. The commission paid to an insurance producer who enrolls

1 a person in a plan offered through the marketplace shall be  
2 established by the marketplace.

3     *b.* On the anniversary date of coverage obtained through  
4 the marketplace, an enrollee may renew or enroll in coverage  
5 offered through the marketplace through any insurance producer  
6 of the enrollee's choice or may enroll directly through the  
7 marketplace internet site. A commission shall be paid to an  
8 insurance producer who renews or enrolls a person in coverage  
9 under this paragraph in the same manner as is provided in  
10 paragraph "a".

11     9. The marketplace may employ staff to carry out the  
12 functions of the marketplace, but no employee of the  
13 marketplace shall sell, solicit, or negotiate enrollment in  
14 a health benefit plan or otherwise offer services for which  
15 a license as an insurance producer is required pursuant to  
16 chapter 522B.

17     10. The marketplace may contract with an eligible entity to  
18 fulfill any of its specialized duties or responsibilities as  
19 described in this chapter. An eligible entity includes but is  
20 not limited to an entity that has experience in individual and  
21 small group health benefit plans, benefit administration, or  
22 other experience relevant to the responsibilities to be assumed  
23 by the entity. However, a health carrier or an affiliate of a  
24 health carrier is not an eligible entity for the purposes of  
25 this subsection.

26     11. The marketplace may enter into information-sharing  
27 agreements with federal and state agencies to carry out  
28 its responsibilities under this chapter provided such  
29 agreements include adequate protections with respect to the  
30 confidentiality of the information to be shared and comply with  
31 all state and federal laws and regulations.

32     12. Each qualified health benefit plan offered through  
33 the marketplace shall be assigned a rating by the marketplace  
34 in accordance with criteria developed by the secretary under  
35 section 1311(c)(3) of the federal Act, and the marketplace

1 shall determine the level of coverage of each qualified health  
2 benefit plan in accordance with regulations issued by the  
3 secretary under section 1302(d)(2)(A) of the federal Act and  
4 applicable state law.

5 13. If a qualified health benefit plan offered through  
6 the marketplace meets or exceeds the criteria for a qualified  
7 health benefit plan set forth by the secretary, the plan shall  
8 be reviewed and assigned a rating by the marketplace.

9 Sec. 5. NEW SECTION. 514M.5 Board of directors — executive  
10 director — secretary.

11 1. The board of directors of the Iowa health benefit  
12 marketplace shall effectuate the powers and duties of the  
13 marketplace as set forth in this chapter.

14 2. The board shall consist of seven voting members and  
15 five ex officio, nonvoting members. The voting members shall  
16 be appointed by the governor, subject to confirmation by the  
17 senate. The voting members of the board shall annually elect  
18 one voting member as chairperson and one voting member as vice  
19 chairperson.

20 a. The voting members shall be appointed by the governor as  
21 follows:

22 (1) Two persons who represent the interests of small  
23 business from nominations made to the governor by nationally  
24 recognized groups that represent the interests of small  
25 business.

26 (2) Three persons who represent the interests of consumers  
27 from nominations made to the governor by nationally recognized  
28 groups that represent the interests of consumers.

29 (3) One person who is an insurance producer licensed under  
30 chapter 522B.

31 (4) One person who is a health care provider.

32 b. The ex officio, nonvoting members of the board are as  
33 follows:

34 (1) Four members of the general assembly, one appointed  
35 by the speaker of the house of representatives, one appointed

1 by the minority leader of the house of representatives,  
2 one appointed by the majority leader of the senate, and one  
3 appointed by the minority leader of the senate.

4 (2) A person who shall serve as the secretary of the board,  
5 appointed by the board.

6 3. The governor shall not appoint to the board any person  
7 who is either the spouse or a relative within the first degree  
8 of consanguinity of a serving member of the board.

9 4. Each member of the board appointed by the governor shall  
10 be a resident of this state and the composition of voting  
11 members of the board shall be in compliance with sections  
12 69.16, 69.16A, and 69.16C.

13 5. The voting members of the board shall be appointed for  
14 staggered terms of three years within sixty days after the  
15 effective date of this Act and by December 15 of each year  
16 thereafter. The initial terms of the voting members of the  
17 board shall be staggered at the discretion of the governor. A  
18 voting member of the board is eligible for reappointment. The  
19 governor shall fill a vacancy on the board in the same manner  
20 as the original appointment for the remainder of the term. A  
21 voting member of the board may be removed by the governor for  
22 misfeasance, malfeasance, willful neglect of duty, failure to  
23 actively participate in the affairs of the board, or other  
24 cause after notice and a public hearing unless the notice and  
25 hearing are waived by the member in writing.

26 6. A voting member of the board shall not be an employee  
27 of, a consultant to, a member of the board of directors of,  
28 affiliated with, have an ownership interest in, or otherwise  
29 be a representative of any health carrier, insurance producer  
30 agency, insurance consultant organization, trade association of  
31 insurers, or association offering health benefit plans to its  
32 members, while serving on the board.

33 7. Voting members of the board shall be reimbursed from the  
34 moneys of the marketplace for all actual and necessary expenses  
35 incurred in the performance of their duties as members, and

1 shall receive per diem at the rate of fifty dollars per day for  
2 their services.

3 8. A majority of the voting members of the board constitutes  
4 a quorum. The affirmative vote of a majority of the voting  
5 members is necessary for any action taken by the board. The  
6 majority shall not include a member who has a conflict of  
7 interest and a statement by a member of a conflict of interest  
8 is conclusive for this purpose. A vacancy in the membership of  
9 the board does not impair the right of a quorum to exercise the  
10 rights and perform the duties of the board. An action taken by  
11 the board under this chapter may be authorized by resolution  
12 at a regular or special meeting and each resolution shall take  
13 effect immediately and need not be published or posted.

14 9. The voting members of the board shall give bond as  
15 required for public officers by chapter 64.

16 10. The voting members of the board are subject to and are  
17 officials within the meaning of chapter 68B.

18 11. The board shall meet at the call of the chairperson,  
19 or in the absence of the chairperson, at the call of the vice  
20 chairperson, or when any four voting members of the board file  
21 a written request with the chairperson for a meeting. Written  
22 notice of the time and place of each meeting shall be given to  
23 each member of the board.

24 12. *a.* The voting members of the board shall appoint an  
25 executive director, subject to confirmation by the senate, to  
26 supervise the administrative affairs and general management and  
27 operations of the marketplace.

28 *b.* The voting members of the board may appoint other  
29 officers as the members of the board determine. The officers  
30 shall not be members of the board, with the exception of the  
31 secretary of the board, and shall serve at the pleasure of the  
32 voting members of the board, and shall receive compensation as  
33 fixed by the board.

34 *c.* The board may employ other staff to carry out the  
35 functions of the marketplace, but no employee of the

1 marketplace shall sell, solicit, or negotiate enrollment in  
2 a health benefit plan or otherwise offer services for which  
3 a license as an insurance producer is required pursuant to  
4 chapter 522B. All employees of the marketplace are exempt from  
5 chapter 8A, subchapter IV, and chapter 97B.

6 13. *a.* The voting members of the board shall appoint a  
7 secretary of the board who shall be an ex officio member of the  
8 board, shall keep a record of the proceedings of the board,  
9 and shall be the custodian of all books, documents, and papers  
10 filed with the board, and the minute book or journal of the  
11 board.

12 *b.* The secretary of the board shall serve at the pleasure  
13 of the board, and shall receive compensation as fixed by the  
14 board.

15 14. Members of the board, or persons acting on behalf of  
16 the marketplace, while acting in the scope of their agency or  
17 employment, are not subject to personal liability resulting  
18 from carrying out the powers and duties in this chapter.

19 Sec. 6. NEW SECTION. 514M.6 **General powers.**

20 1. The marketplace has any and all powers necessary and  
21 convenient to carry out its purposes and duties and exercise  
22 its specific powers, including but not limited to the power to:

23 *a.* Sue and be sued in its own name.

24 *b.* Have and alter a corporate seal.

25 *c.* Make and alter bylaws for its management consistent with  
26 the provisions of this chapter.

27 *d.* Make and execute agreements, contracts, and other  
28 instruments of any and all types on such terms and conditions  
29 as the marketplace may find necessary or convenient to the  
30 purpose of the marketplace, with any public or private entity,  
31 including but not limited to contracts for goods and services.  
32 All political subdivisions, other public agencies, and state  
33 departments and agencies may enter into contracts and otherwise  
34 cooperate with the marketplace.

35 *e.* Adopt procedures relating to competitive bidding,

1 including the identification of those circumstances under which  
2 competitive bidding by the marketplace, either formally or  
3 informally, shall be required. In any bidding process, the  
4 marketplace may administer its own bidding and procurement or  
5 may utilize the services of the department of administrative  
6 services or any other agency. Except when such rules apply,  
7 the marketplace and all contracts made by it in carrying out  
8 its public and essential governmental functions with respect  
9 to any of its purposes shall be exempt from the provisions  
10 and requirements of all laws or rules of the state which  
11 require competitive bids in connection with the letting of such  
12 contracts.

13 *f.* Acquire, hold, improve, mortgage, lease, and dispose of  
14 real and personal property, including but not limited to the  
15 power to sell at public or private sale, with or without public  
16 bidding, any such property, or other obligation held by it.

17 *g.* Procure insurance against any loss in connection with its  
18 operations and property interests.

19 *h.* Accept appropriations, gifts, grants, loans, or other  
20 aid from public or private entities. A record of all gifts or  
21 grants, stating the type, amount, and donor, shall be clearly  
22 set out in the marketplace's annual report along with the  
23 record of other receipts.

24 *i.* Provide to public and private entities technical  
25 assistance and counseling related to the marketplace's  
26 purposes.

27 *j.* In cooperation with other local, state, or federal  
28 governmental agencies, conduct research studies, develop  
29 estimates of unmet health insurance needs, gather and compile  
30 data useful to facilitating decision making, and enter into  
31 agreements to carry out programs within or without the state  
32 which the marketplace finds to be consistent with the goals of  
33 the marketplace.

34 *k.* Enter into agreements with the federal government,  
35 tribes, and other states to facilitate the sale or purchase of

1 qualified health benefit plans by qualified individuals and  
2 qualified small employers in the state of Iowa.

3     1. Own or acquire intellectual property rights including  
4 but not limited to copyrights, trademarks, service marks, and  
5 patents, and enforce the rights of the marketplace with respect  
6 to such intellectual property rights.

7     m. Form committees or panels as necessary to facilitate the  
8 marketplace's duties. Committees or panels formed pursuant to  
9 this paragraph shall be subject to the provisions of chapters  
10 21 and 22.

11     n. Establish one or more funds within the state treasury  
12 under the control of the marketplace. Notwithstanding section  
13 8.33 or 12C.7, or any other provision to the contrary, moneys  
14 invested by the treasurer of state pursuant to this paragraph  
15 shall not revert to the general fund of the state and interest  
16 accrued on the moneys shall be moneys of the marketplace and  
17 shall not be credited to the general fund of the state. The  
18 nonreversion of moneys allowed under this paragraph does not  
19 apply to moneys appropriated to the marketplace by the general  
20 assembly.

21     o. Exercise generally all powers typically exercised by  
22 private enterprises engaged in business pursuits unless the  
23 exercise of such a power would violate the terms of this  
24 chapter or the Constitution of the State of Iowa.

25     2. Notwithstanding any other provision of law, any purchase  
26 or lease of real property, other than on a temporary basis,  
27 when necessary in order to implement the purposes of the  
28 marketplace or protect the investments of the marketplace,  
29 shall require written notice from the marketplace to the  
30 government oversight committees of the general assembly or  
31 their successor committees and the prior approval of the  
32 executive council.

33     3. The powers enumerated in this section are cumulative of  
34 and in addition to those powers enumerated elsewhere in this  
35 chapter and such powers do not limit or restrict any other

1 powers of the marketplace.

2     Sec. 7. NEW SECTION.   **514M.7 Specific powers.**

3     1. In addition to the general powers described in section  
4 514M.6, the marketplace shall have all powers convenient and  
5 necessary to carry out the purpose and intent of this chapter.

6     2. The marketplace established pursuant to section 514M.4  
7 shall make qualified health benefit plans that are effective on  
8 or before January 1, 2014, available to qualified individuals  
9 and qualified employers in this state.

10    3. At such time as applications for waivers from the  
11 requirements of the federal Act are accepted by the secretary,  
12 the marketplace may request such waivers from the secretary.

13    4. The marketplace shall allow a health carrier to offer a  
14 plan that provides limited scope dental benefits meeting the  
15 requirements of section 9832(c)(2)(A) of the Internal Revenue  
16 Code of 1986 through the marketplace, either separately or in  
17 conjunction with a qualified health benefit plan, if the plan  
18 provides pediatric dental benefits meeting the requirements of  
19 section 1302(b)(1)(J) of the federal Act.

20    5. The marketplace or a health carrier offering qualified  
21 health benefit plans through the marketplace shall not charge  
22 an individual a fee or penalty for termination of coverage if  
23 the individual enrolls in another type of minimum essential  
24 coverage because the individual has become newly eligible for  
25 that coverage or because the individual's employer-sponsored  
26 coverage has become affordable using the standards of the  
27 federal Act, as codified at section 36B(c)(2)(C) of the  
28 Internal Revenue Code of 1986.

29     Sec. 8. NEW SECTION.   **514M.8 Duties of the marketplace.**

30     The marketplace shall do all of the following:

31     1. Implement procedures for the certification,  
32 recertification, and decertification of health benefit plans  
33 as qualified health benefit plans, consistent with guidelines  
34 developed by the secretary under section 1311(c) of the federal  
35 Act and applicable state law.

1     2. Provide for the operation of a toll-free telephone  
2 hotline to respond to requests for assistance.

3     3. Provide for enrollment periods, as determined by the  
4 secretary under section 1311(c)(6) of the federal Act and  
5 applicable state law.

6     4. Utilize a standardized format for presenting health  
7 benefit plan options in the marketplace, including the use of  
8 the uniform outline of coverage established under section 2715  
9 of the Public Health Service Act and applicable state law.

10    5. In accordance with section 1413 of the federal Act  
11 and applicable state law, inform individuals of eligibility  
12 requirements for the Medicaid program under Tit. XIX of the  
13 federal Social Security Act, the children's health insurance  
14 program under Tit. XXI of the federal Social Security Act, or  
15 any applicable state or local public program and, if through  
16 screening of an application by the marketplace, the marketplace  
17 determines that any individual is eligible for any such  
18 program, enroll that individual in that program.

19    6. Establish and make available by electronic means a  
20 calculator to determine the actual cost of coverage after  
21 application of any premium tax credit for which an individual  
22 is eligible using the standards of the federal Act as codified  
23 at section 36B(c)(2)(C) of the Internal Revenue Code of 1986  
24 and any cost-sharing reductions under section 1402 of the  
25 federal Act.

26    7. Establish a small business health options program  
27 component of the marketplace through which individuals employed  
28 by a qualified employer may enroll in any qualified health  
29 benefit plan offered through the small business health options  
30 program at the level of coverage specified by the employer.  
31 In establishing a small business health options program  
32 marketplace component, the marketplace shall do all of the  
33 following:

34     a. Provide consolidated billing and premium payment by  
35 qualified employers including detailed information to those

1 employers about health benefit plans chosen by their employees  
2 and the cost of those plans.

3     *b.* Establish an electronic interface and facilitate the flow  
4 of funds between health carriers, employers, and employees,  
5 including subsidiaries.

6     *c.* Provide for the dissemination of health benefit plan  
7 enrollment information to employers.

8     8. Establish an individual health options marketplace  
9 component through which individuals may enroll in any qualified  
10 health benefit plan for individuals.

11     9. Select entities qualified to serve as navigators in  
12 accordance with section 1311(i) of the federal Act, standards  
13 developed by the secretary, and applicable state law and award  
14 grants to facilitate the function of navigators as provided in  
15 section 514M.9.

16     10. Encourage and review the development of cafeteria plans  
17 pursuant to section 125 of the Internal Revenue Code of 1986,  
18 for use by employers participating in the marketplace.

19     11. Maintain an internet site through which enrollees,  
20 employers, and prospective enrollees of qualified health  
21 benefit plans, at a minimum, may obtain standardized  
22 comparative information on qualified health benefit plans  
23 and health benefit plans that are not offered through the  
24 marketplace. In developing the electronic clearinghouse,  
25 the marketplace may require health carriers participating in  
26 the marketplace to make available and regularly update an  
27 electronic directory of contracting health care providers so  
28 individuals seeking coverage through the marketplace can search  
29 by health care provider name to determine which qualified  
30 health benefit plans in the marketplace include that health  
31 care provider in their network, and whether that health care  
32 provider is accepting new patients for that particular health  
33 benefit plan.

34     12. Consult with stakeholders who are relevant to carrying  
35 out the activities required under this chapter.

1 13. Assist in the implementation of reinsurance and risk  
2 adjustment mechanisms, as required by state and federal law.

3 14. Establish guidelines for determining qualifications for  
4 marketplace employees and entities or persons who are selected  
5 as navigators.

6 15. Subject to section 1411 of the federal Act and  
7 applicable state law, grant a certification attesting that, for  
8 purposes of the individual responsibility penalty under the  
9 standards of the federal Act, as codified at section 5000A of  
10 the Internal Revenue Code of 1986, an individual is exempt from  
11 the individual responsibility requirement or from the penalty  
12 imposed by that section because of any of the following:

13 a. There is no affordable qualified health benefit plan  
14 available through the marketplace, or the individual's  
15 employer, covering the individual.

16 b. The individual meets the requirements for any other such  
17 exemption from the individual responsibility requirement or  
18 penalty.

19 16. Transfer to the United States secretary of the treasury  
20 all of the following:

21 a. A list of the individuals who are issued a certification  
22 under subsection 15, paragraph "a", including the name and  
23 taxpayer identification number of each individual.

24 b. The name and taxpayer identification number of each  
25 individual who was an employee of an employer but who was  
26 determined to be eligible for the premium tax credit using  
27 the standards of the federal Act as codified at section  
28 36B(c)(2)(C) of the Internal Revenue Code of 1986, because of  
29 either of the following:

30 (1) The employer did not provide minimum essential health  
31 benefits coverage.

32 (2) The employer provided minimum essential health benefits  
33 coverage, but it was determined using the standards of the  
34 federal Act, as codified at section 36B(c)(2)(C) of the  
35 Internal Revenue Code of 1986, to either be unaffordable to

1 the employee or not to provide the required minimum actuarial  
2 value.

3     *c.* The name and taxpayer identification number of all of the  
4 following:

5       (1) Each individual who notifies the marketplace under  
6 section 1411(b)(4) of the federal Act that the individual has  
7 changed employers.

8       (2) Each individual who ceases coverage under a qualified  
9 health benefit plan during a plan year and the effective date  
10 of that cessation.

11     17. Provide to each employer the name of each employee of  
12 the employer described in subsection 16, paragraph "b", who  
13 ceases coverage under a qualified health benefit plan during a  
14 plan year and the effective date of the cessation.

15     18. Perform duties required of, or delegated to, the  
16 marketplace by the secretary, the United States secretary  
17 of the treasury, or the commissioner related to determining  
18 eligibility for premium tax credits, reduced cost-sharing, or  
19 individual responsibility requirement exemptions.

20     19. In consultation with the commissioner, review the  
21 rate of premium growth of health benefit plans within the  
22 marketplace and outside the marketplace, and consider the  
23 information obtained in developing recommendations on whether  
24 to continue limiting qualified employer status to small  
25 employers.

26     Sec. 9. NEW SECTION. 514M.9 Navigators.

27     1. The marketplace may select entities qualified to serve as  
28 navigators in accordance with section 1311(i) of the federal  
29 Act, standards developed by the secretary, and applicable state  
30 law, and award grants to enable navigators to do all of the  
31 following:

32       *a.* Conduct public education activities to raise awareness of  
33 the availability of qualified health benefit plans through the  
34 marketplace.

35       *b.* Distribute fair and impartial information concerning

1 enrollment in qualified health benefit plans, and the  
2 availability of premium tax credits for which an individual  
3 may be eligible using the standards of the federal Act, as  
4 codified at section 36B(c)(2)(C) of the Internal Revenue Code  
5 of 1986, and any cost-sharing reductions under section 1402 of  
6 the federal Act.

7     *c.* Facilitate enrollment in qualified health benefit plans  
8 offered through the marketplace or in health benefit plans  
9 offered outside the marketplace by referring consumers to  
10 insurance producers and to the marketplace internet site for  
11 enrollment.

12     *d.* Provide referrals to the office of health insurance  
13 consumer assistance established under the federal Act pursuant  
14 to section 2793 of the federal Public Health Service Act  
15 and the office of the commissioner or any other appropriate  
16 state agency, for any enrollee with a grievance, complaint,  
17 or question regarding the enrollee's health benefit plan or  
18 coverage, or a determination under that plan or coverage.

19     *e.* Provide information in a manner that is culturally and  
20 linguistically appropriate to the needs of the population being  
21 served by the marketplace.

22     2. An entity selected as a navigator shall not engage in  
23 any activities that require licensure as an insurance producer  
24 under chapter 522B.

25     Sec. 10. NEW SECTION.   514M.10   Health benefit plan  
26 certification.

27     1. The marketplace may certify a health benefit plan as  
28 a qualified health benefit plan if the plan meets all of the  
29 following criteria:

30     *a.* The plan provides the essential health benefit package  
31 described in section 1302(a) of the federal Act, except that  
32 the plan is not required to provide essential benefits that  
33 duplicate the minimum benefits of qualified dental plans as  
34 provided in subsection 6 if all of the following occur:

35         (1) The marketplace determines that at least one qualified

1 dental plan is available to supplement the plan's coverage.

2     (2) The health carrier makes a prominent disclosure at the  
3 time it offers the plan, in a form approved by the marketplace,  
4 that the plan does not provide the full range of essential  
5 pediatric benefits and that qualified dental plans providing  
6 those benefits and other dental benefits not covered by the  
7 plan are offered through the marketplace.

8     *b.* The premium rates and contract language have been  
9 approved by the commissioner.

10     *c.* The plan provides at least a bronze level of coverage,  
11 as that level is defined by the federal Act, unless the plan  
12 is certified as a qualified catastrophic plan, meets the  
13 requirements of the federal Act for catastrophic plans, and  
14 will only be offered to individuals eligible for catastrophic  
15 coverage.

16     *d.* The plan's cost-sharing requirements do not exceed the  
17 limits established under section 1302(c)(1) of the federal Act,  
18 and if the plan is offered through the small business health  
19 options program component of the marketplace that offers plans  
20 to small employers, the plan's deductible does not exceed the  
21 limits established under section 1302(c)(2) of the federal Act.

22     *e.* The plan offers wellness programs.

23     *f.* The health carrier offering the plan provides greater  
24 transparency and disclosure of information about the plan  
25 benefits, provider networks, claim payment practices, and  
26 solvency ratings, and establishes a process for consumers to  
27 compare features of health benefit plans offered through the  
28 marketplace.

29     *g.* The health carrier offering the plan meets all of the  
30 following criteria:

31     (1) Is licensed and in good standing to offer health  
32 insurance coverage in this state.

33     (2) Offers at least one qualified health benefit plan in the  
34 silver level and at least one qualified health benefit plan in  
35 the gold level, as those levels are defined in the federal Act,

1 through each component of the marketplace in which the health  
2 carrier participates, where component refers to the components  
3 of the marketplace which offer individual coverage and coverage  
4 for small employers.

5 (3) Charges the same premium rate for each qualified health  
6 benefit plan without regard to whether the plan is offered  
7 through the marketplace.

8 (4) Does not charge any termination of coverage fees or  
9 penalties in violation of section 514M.7.

10 (5) Complies with the regulations developed by the  
11 secretary under section 1311(d) of the federal Act, applicable  
12 state laws, and such other requirements as the marketplace may  
13 establish.

14 *h.* The plan meets the requirements of certification as  
15 adopted by rule pursuant to this section and by the secretary  
16 under section 1311(c) of the federal Act, which include but  
17 are not limited to minimum standards in the areas of marketing  
18 practices, network adequacy, essential community providers in  
19 underserved areas, accreditation, quality improvement, uniform  
20 enrollment forms and descriptions of coverage, and information  
21 on quality measures for plan performance.

22 *i.* The marketplace determines that making the plan available  
23 through the marketplace is in the interest of qualified  
24 individuals and qualified employers in this state.

25 2. The marketplace shall not exclude a health benefit plan  
26 from certification for any of the following reasons:

27 *a.* On the basis that the plan is a fee-for-service plan.

28 *b.* Through the imposition of premium price controls.

29 *c.* On the basis that the plan provides treatments necessary  
30 to prevent patients' deaths in circumstances the marketplace  
31 determines are inappropriate or too costly.

32 3. The marketplace shall require each health carrier  
33 seeking certification of a health benefit plan as a qualified  
34 health benefit plan to do all of the following:

35 *a.* Provide notice of any proposed premium increase and

1 a justification for the increase to the marketplace and to  
2 affected policyholders before implementation of that increase.  
3 The health carrier shall prominently post the information  
4 on its internet site. The marketplace shall take this  
5 information, along with the information and the recommendations  
6 provided to the marketplace by the commissioner under the  
7 federal Act pursuant to section 2794(b) of the federal Public  
8 Health Service Act and applicable state law, into consideration  
9 when determining whether to allow the health carrier to make  
10 plans available through the marketplace.

11 b. Make available to the public, in the format described in  
12 paragraph "c", and submit to the marketplace, the secretary, and  
13 the commissioner, accurate and timely disclosure of all of the  
14 following:

- 15 (1) Claims payment policies and practices.
- 16 (2) Periodic financial disclosures.
- 17 (3) Data on enrollment.
- 18 (4) Data on disenrollment.
- 19 (5) Data on the number of claims that are denied.
- 20 (6) Data on rating practices.
- 21 (7) Information on cost-sharing and payments with respect  
22 to any out-of-network coverage.
- 23 (8) Information on enrollee and participant rights under  
24 Tit. I of the federal Act and applicable state law.
- 25 (9) Other information as determined appropriate by the  
26 secretary, the marketplace, or the commissioner.

27 c. The information required in paragraph "b" shall be  
28 provided in plain language, as that term is defined in section  
29 1311(e) of the federal Act, as amended by section 10104 of the  
30 federal Act, and applicable state law.

31 4. The marketplace shall permit individuals to learn,  
32 in a timely manner upon the request of an individual, the  
33 amount of cost-sharing, including deductibles, copayments, and  
34 coinsurance, under the individual's health benefit plan or  
35 coverage that the individual would be responsible for paying

1 with respect to the furnishing of a specific item or service  
2 by a participating provider. At a minimum, this information  
3 shall be made available to the individual through an internet  
4 site and through other means for individuals without access to  
5 the internet.

6 5. The marketplace shall not exempt any health carrier  
7 seeking certification of a health benefit plan, regardless of  
8 the type or size of the health carrier, from applicable state  
9 licensure or solvency requirements and shall apply the criteria  
10 of this section in a manner that assures a level playing  
11 field between or among health carriers participating in the  
12 marketplace.

13 6. *a.* The provisions of this chapter that are applicable  
14 to qualified health benefit plans shall also apply to the  
15 extent relevant to qualified dental plans except as modified in  
16 accordance with the provisions of paragraphs "*b*", "*c*", and "*d*"  
17 or by rules adopted by the marketplace.

18 *b.* A health carrier shall be licensed to offer dental  
19 coverage, but is not required to be licensed to offer other  
20 health benefits.

21 *c.* A qualified dental plan shall be limited to dental and  
22 oral health benefits, without substantially duplicating the  
23 benefits typically offered by health benefit plans without  
24 dental coverage and shall include, at a minimum, the essential  
25 pediatric dental benefits prescribed by the secretary pursuant  
26 to section 1302(b)(1)(J) of the federal Act, and such other  
27 dental benefits as the marketplace or the secretary may specify  
28 by regulation or rule.

29 *d.* A comprehensive plan may be offered through the  
30 marketplace in which dental benefits are included either as  
31 part of a qualified health benefit plan, or by a qualified  
32 dental plan offered in conjunction with a qualified health  
33 benefit plan, provided that the medical and dental benefits  
34 offered by the comprehensive plan are priced separately and are  
35 offered for purchase separately at the same price.

1     Sec. 11. NEW SECTION.   514M.11   Funding — publication of  
2 costs.

3     1. The marketplace may charge assessments or user fees to  
4 health carriers that offer health benefit plans through the  
5 marketplace or may otherwise generate the funding necessary to  
6 support the operation of the marketplace, as provided pursuant  
7 to the plan of operation of the marketplace.

8     2. The marketplace shall publish the average costs of  
9 licensing, regulatory fees, and any other payments required  
10 by the marketplace, and the administrative costs of the  
11 marketplace, on an internet site for the purpose of educating  
12 consumers about the costs of operating the marketplace. The  
13 information provided shall include information on moneys lost  
14 due to waste, fraud, and abuse of the health care system.

15    3. No state funding shall be appropriated or allocated  
16 for the operation or administration of the marketplace. Any  
17 assessments or user fees charged pursuant to this section  
18 shall provide for the sharing of losses and expenses of the  
19 marketplace on an equitable and proportionate basis among  
20 health carriers in this state as provided in the plan of  
21 operation of the marketplace.

22    Sec. 12. NEW SECTION.   514M.12   Rules.

23    In consultation with and subject to the approval of the  
24 board, the commissioner shall adopt rules pursuant to chapter  
25 17A to effectuate and administer the provisions of this  
26 chapter. Rules adopted under this section shall not conflict  
27 with or prevent the application of regulations promulgated by  
28 the secretary under the federal Act.

29    Sec. 13. NEW SECTION.   514M.13   Advisory council.

30    1. The board shall establish an advisory council consisting  
31 of various stakeholders including representatives from  
32 the insurance industry, insurance producer organizations,  
33 consumer advocacy groups, labor unions, employers, health care  
34 providers, farmers, and other interested parties. The advisory  
35 council shall meet when requested by the board.

1     2. The advisory council shall offer input to the board  
2 regarding rules proposed by the commissioner, the plan of  
3 operation for the marketplace, and any other topics relevant  
4 to the marketplace.

5     3. The board may alter the composition of the advisory  
6 council at any time to reflect changes in the interests of the  
7 various stakeholders.

8     Sec. 14. NEW SECTION.   **514M.14 Annual report.**

9     1. The marketplace shall submit an annual report to the  
10 commissioner, governor, general assembly, and the auditor of  
11 state by January 15. The report shall include an accurate  
12 accounting of all the activities of the marketplace and of all  
13 its receipts and expenditures during the prior fiscal year.

14    2. The report shall describe how the operations and  
15 activities of the marketplace serve the interests of the state  
16 and further the purposes set forth in this chapter.

17    Sec. 15. NEW SECTION.   **514M.15 Relation to other laws.**

18    This chapter, and action taken by the marketplace pursuant  
19 to this chapter, shall not be construed to preempt or supersede  
20 the authority of the commissioner to regulate the business  
21 of insurance in this state. Except as expressly provided to  
22 the contrary in this chapter, all health carriers offering  
23 qualified health benefit plans in this state shall comply fully  
24 with all applicable health insurance laws of this state and  
25 rules adopted and orders issued by the commissioner.

26    Sec. 16. **EFFECTIVE UPON ENACTMENT.** This Act, being deemed  
27 of immediate importance, takes effect upon enactment.

28                                   EXPLANATION

29    This bill provides for the establishment of the Iowa health  
30 benefit marketplace.

31    The bill creates new Code chapter 514M, which provides for  
32 the establishment of a health benefit marketplace to facilitate  
33 the sale and purchase of qualified health benefit plans in  
34 this state by qualified individuals in the individual market  
35 and by qualified small employers in the small group market.

1 The intent of establishing such a marketplace is to reduce  
2 the number of uninsured individuals in this state, provide a  
3 transparent marketplace and consumer education, and assist  
4 individuals with access to programs, premium assistance tax  
5 credits, and cost-sharing reductions.

6 For purposes of the bill, a qualified employer that can  
7 participate in the small business health options program  
8 component of the marketplace is an employer that employs an  
9 average of one to 50 employees during the preceding calendar  
10 year and elects to make its full-time employees, and at the  
11 employer's option, some or all of its part-time employees,  
12 eligible for one or more qualified health benefit plans offered  
13 through the small business health options program component of  
14 the marketplace. A qualified employer must either have its  
15 principal place of business in this state and elect to provide  
16 health coverage through the marketplace to all of its eligible  
17 employees wherever employed, or elect to provide coverage  
18 through the marketplace to all of its eligible employees who  
19 are principally employed in this state.

20 The Iowa health benefit marketplace is established as a  
21 nonprofit corporation. The marketplace shall be operated on  
22 a statewide basis pursuant to a plan of operation established  
23 and approved by its board of directors in consultation with  
24 the commissioner of insurance. The marketplace shall include  
25 separate components which facilitate the sale and purchase of  
26 qualified health benefit plans to eligible individuals and to  
27 small employers as described in new Code chapter 514M and the  
28 federal Patient Protection and Affordable Care Act, as amended.  
29 The marketplace may employ staff to carry out its duties but  
30 no employees of the marketplace may offer services for which  
31 a license as an insurance producer is required pursuant to  
32 Code chapter 522B. The marketplace is also authorized to  
33 contract with an eligible entity to fulfill any of its duties  
34 or responsibilities as described in new Code chapter 514M.

35 The board of directors of the marketplace is comprised of

1 seven voting members appointed by the governor for three-year  
2 staggered terms with two representing the interests of small  
3 business; three representing the interests of consumers; one  
4 who is a licensed insurance producer; and one who is a health  
5 care provider. The voting members must be appointed within 60  
6 days of the effective date of new Code chapter 514M. There  
7 are also five ex officio, nonvoting members of the board  
8 including four members of the general assembly with one each  
9 appointed by the speaker and the minority leader of the house  
10 of representatives, and by the majority and minority leaders of  
11 the senate, and including the secretary of the board.

12 The voting members of the board are required to appoint an  
13 executive director, subject to confirmation by the senate, to  
14 supervise the administrative affairs and general management  
15 and operations of the marketplace. The board may appoint  
16 other officers as the board deems necessary. The board is  
17 also required to appoint a secretary of the board who keeps a  
18 record of the board proceedings, is the custodian of all books,  
19 documents, and papers filed with the board and of the minute  
20 book or journal of the board.

21 The marketplace has all the general powers of a nonprofit  
22 corporation that are necessary and convenient to carry out its  
23 purposes and duties and to exercise its specific powers as  
24 provided in new Code chapter 514M.

25 The marketplace is required to make qualified health  
26 benefit plans that are effective on or before January 1, 2014,  
27 available to qualified individuals and qualified employers in  
28 the state. The specific duties and powers of the marketplace  
29 are set forth in new Code chapter 514M.

30 The marketplace is authorized to select entities qualified  
31 to act as navigators in accordance with the requirements  
32 of state and federal law for the purpose of conducting  
33 public education activities, distributing fair and impartial  
34 information concerning enrollment in qualified health benefit  
35 plans, facilitating such enrollment, providing referrals to the

1 appropriate federal or state entity for grievances, complaints,  
2 or questions regarding an enrollee's health benefit plan, and  
3 providing culturally and linguistically appropriate information  
4 to persons served by the marketplace. The marketplace is  
5 authorized to certify a health benefit plan as a qualified  
6 health benefit plan if the plan meets specified criteria.

7 The marketplace may charge assessments or user fees to  
8 health carriers that offer health benefit plans through the  
9 marketplace or otherwise generate the funding necessary to  
10 support the operation of the marketplace as provided in the  
11 marketplace's plan of operation. The marketplace is required  
12 to publish the average costs of licensing, regulatory fees,  
13 and any other payments required by the marketplace, as well  
14 as the administrative costs of the marketplace on an internet  
15 site for the purpose of educating consumers about the costs  
16 of operating the marketplace. No state funding can be  
17 appropriated or allocated for the operation or administration  
18 of the marketplace. Any assessments or user fees charged must  
19 provide for sharing the losses and expenses of the marketplace  
20 on an equitable and proportionate basis among health carriers  
21 in the state.

22 In consultation with and subject to the approval of the  
23 board, the commissioner of insurance is required to adopt rules  
24 pursuant to Code chapter 17A to effectuate and administer the  
25 provisions of new Code chapter 514M. The board is required  
26 to establish an advisory council consisting of various  
27 stakeholders including representatives from the insurance  
28 industry, insurance producer organizations, consumer advocacy  
29 groups, labor unions, employers, health care providers,  
30 farmers, and other interested parties. The council shall  
31 offer input to the board regarding rules proposed by the  
32 commissioner, the plan of operation for the marketplace, and  
33 any other relevant topics.

34 The marketplace is required to submit an annual report to the  
35 commissioner, governor, general assembly, and the auditor of

1 state by January 15, which includes an accurate accounting of  
2 all the activities of the marketplace and of all its receipts  
3 and expenditures during the prior fiscal year. The report  
4 shall also describe how the operations and activities of the  
5 marketplace serve the interests of the state and further the  
6 purposes of new Code chapter 514M.

7 The enactment of the Code chapter and actions taken by  
8 the marketplace are not to be construed as preempting or  
9 superseding the authority of the commissioner to regulate  
10 insurance in this state.

11 The bill is effective upon enactment.